



ANNUAL MANAGEMENT REPORT 2016



Yanacocha

THE FUTURE
IS MADE TODAY



Yanacocha



Child participant in the Project for Fostering Reading – Porcon Alto School



LETTER TO CAJAMARCA

"The future is made today". That was the phrase we used in ALAC from inception and now this notion has become increasingly relevant. The future we all desire depends on our present. It is for this reason that we are determined to build a more enterprising society, with more education and greater access to water.

This is a permanent task that grows and multiplies in the same manner that the expectations and needs of the citizens of Cajamarca grow. We are convinced that we can work hand in hand with the entrepreneurs in our land to achieve a common benefit. Our experience has allowed us to acquaint ourselves directly with the efforts of Cajamarcans to forge ahead. Perhaps what is most important is that this is not about working for others, but of striving for a dream, a vision of what we want to achieve, a common goal. This dream binds together the efforts and hopes of thousands of Cajamarcans who have realized that in order to move forward, one only needs the determination and will to improve.

The projects that we support in our three areas of intervention are proof that in the strengthening of production capacities, education or access to water, we Cajamarcans know how to make the best use of opportunities. And if these don't arise, we generate our own initiatives.

We are proud to have joined efforts with other Cajamarcan institutions and authorities in order to progressively improve access to potable water for

everyone in the city, while ensuring an efficient supply in terms of quality and quantity through the completion of significant infrastructure works. We are also pleased to be part of a process by means of which many children and youths opt for reading as a means to achieve higher levels of education and culture. However, this isn't about merely motivating students, but, above all, to work together with teachers and school principals who have received the training to continue improving the quality of learning that their students now receive.

This isn't about huge investments of funds, but rather about great amounts of effort. It's not a matter of great machinery and investment, but about joint efforts and closely-knit families. Nor is it about personal gain or individual ambitions, but about a joint vision as a community. Let's not wait for others to build our future – let us take control of our destiny.

In ALAC we believe that our best contribution is to provide the tools and guidance that will allow Cajamarcans to forge their own way, their own narrative of change, their own future.

RAÚL BENAVIDES GANOZA
Chairman of the Board of Directors
of Asociación Los Andes de Cajamarca

VIOLETA VIGO VARGAS
Executive Director
Asociación Los Andes de Cajamarca

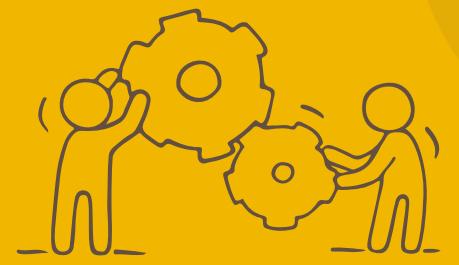


Entrance to the former women's hospital – Belen Monumental Compound



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— PART 1 —
**WHO
WE ARE**



Children taking part in the water accomplishment fair



We are Asociación Los Andes de Cajamarca (ALAC), a corporate organization devoted to promoting sustainable human development in rural and urban areas of the Cajamarca region.

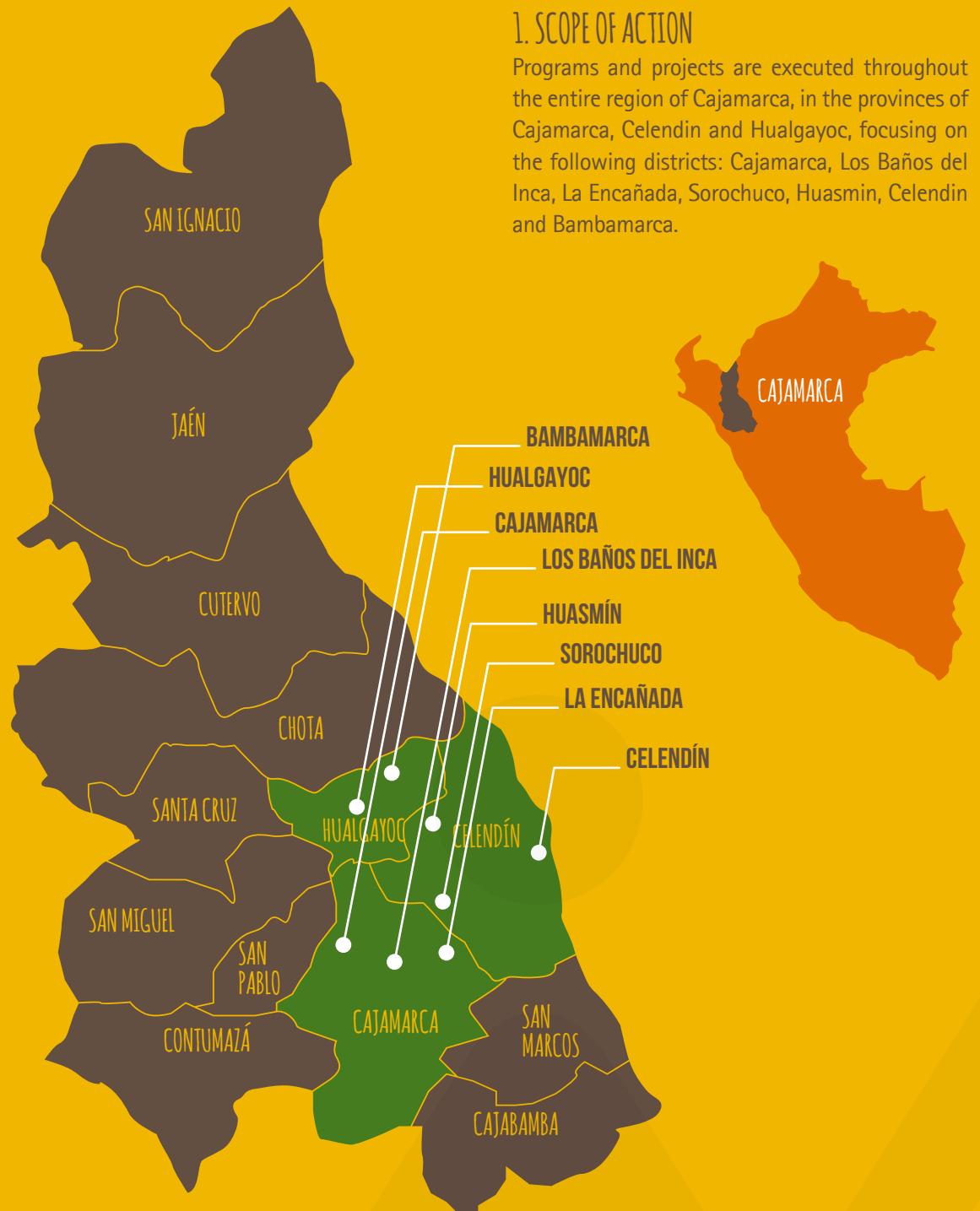
We began our activities in March 2014, as part of Yanacocha's social responsibility program. Our objective is to promote programs and projects that, while making the best use of the benefits brought by mining, generate positive impacts that go beyond the life of the mine. Chiefly, these initiatives are focused on greater quality and equity in education, strengthening production and entrepreneurial capacities in competitive sectors, and fostering the investment of public and private

resources in social infrastructure, aimed mainly at providing quality water supply.

Strategically speaking, our role is that of pivot and driver. In this sense, we have struck alliances with various leaders in development and created synergies between the public and private sectors. This way of working has allowed us to enhance and multiply the effects of the projects we bolster.

Our role in Cajamarca's benefit is:





1. SCOPE OF ACTION

Programs and projects are executed throughout the entire region of Cajamarca, in the provinces of Cajamarca, Celendín and Hualgayoc, focusing on the following districts: Cajamarca, Los Baños del Inca, La Encañada, Sorochuco, Huasmin, Celendín and Bambamarca.

2. VISION, MISSION AND COMMITMENTS

VISION

To be acknowledged as Yanacocha's corporate organization, that from a perspective of social responsibility and sustainable development, contributes to its feasibility and legitimacy.

MISSION

We are an organization that participates actively in Cajamarca's sustainable development, focusing our activities on health, water management and strengthening productive and entrepreneurial capacities in Yanacocha's area of influence.

COMMITMENTS

**AGILITY > BOLDNESS AND EXPEDIENCY >
ASSERTIVE COMMUNICATION > CELEBRATE SUCCESS >
LEADERSHIP > COOPERATION > EMPOWERMENT**



ALAC Board of Directors

3. STRATEGIC OBJECTIVES

Activities focus on capacity-building and mobilization of resources by means of 5 mutually complementary objectives:

EDUCATION

Contributing to improve quality and equity in education with an entrepreneurial vision.

DEVELOPMENT OF PRODUCTIVE AND ENTREPRENEURIAL CAPACITIES

Contributing to the development of entrepreneurial capacities with social responsibility in sectors that have competitive market potential, both in rural and urban settings in Cajamarca.

WATER AND INFRASTRUCTURE FOR DEVELOPMENT

Fostering investment in social infrastructure with an emphasis on water, using both public and private resources.

COMMUNICATIONS AND STAKEHOLDER ENGAGEMENT

Generating favorable conditions for stakeholder engagement to ensure the feasibility, legitimacy and sustainability of social programs.

INSTITUTIONAL MANAGEMENT

Managing the resources of ALAC and the projects entrusted to it by third parties in an efficient and effective manner.



Family taking part in UNICA project

4. ORGANIZATION

ASSOCIATES' ASSEMBLY

This is the foremost body of the Association. Among other roles, it defines the general strategies and policies of the Association throughout its yearly activities, appoints the members of the Board of Directors and establishes oversight and control mechanisms. It is made up of representatives of Newmont and Buenaventura.

BOARD OF DIRECTORS

Its mission is to ensure compliance with the ends of the Asociación Los Andes de Cajamarca, by means of approving strategies, plans, annual budgets, and the channeling of donations and resources for project execution.

- **Raúl Benavides Ganoza**
Chairman
- **Javier Velarde Zapater**
Deputy Chairman
- **Isidro Oyola Mejía**
Director
- **Raymi Beltrán Burns**
Director
- **Walter Alva Alva**
Director
- **Pedro Sánchez Rabanal**
Director
- **Homero Bazán Zurita**
Director
- **Carlos Amat y León Chávez**
Director

ADVISORY BOARD

Its objective is to advise the Board of Directors and the executive director on strategic matters. Especially those related to Cajamarca's sustainable human development and to the image the Association conveys to society.

- Rosario Almenara Díaz
- José Rodríguez Villa
- Nicole Bernex Weiss
- Baltazar Caravedo Molinari
- Ciro Arribasplata Bazán
- Freddy Regalado Vásquez
- Oscar Mendoza Vargas
- Franco Mosso Cobián
- Gonzalo Villarán Córdova
- Godofredo Rojas Vásquez
- Ángel Espinar Álvarez
- Víctor Guevara Carrasco
- Martha Rodríguez Rodríguez



— PART 2 —

OUR MAIN ACHIEVEMENTS IN 2016

MOST PROMINENT RESULTS IN 2016

WE WERE ABLE TO OPTIMIZE THE USE OF
CORPORATE RESOURCES AND THE IMPACT OF
PROJECTS AND PARTICIPATION IMPLEMENTED
THROUGHOUT 2016.

19

PROJECTS EXECUTED
(3 IN EDUCATION +
13 PRODUCTION +
3 WATER AND
INFRASTRUCTURE PROJECTS)

4'805,270

DOLLARS INVESTED
IN PROJECTS



Audience at the presentation of the ALAC's Annual Management Report 2015

14,888

**STUDENTS IN PRIMARY
AND SECONDARY
SCHOOLS PARTICIPATING**

1'817,095

**SOLES GENERATED FROM
THE SALE OF ENHANCED
PRODUCTION PROJECTS**

+180,000

**PEOPLE IN THE CITY OF
CAJAMARCA HAVE MORE
HOURS OF DRINKING
WATER IN THEIR HOMES**

336

**PRIMARY AND SECONDARY
SCHOOL TEACHERS
RECEIVE TRAINING AND
MENTORING**

2,467

**PRODUCERS AND
ENTREPRENEURS
RECEIVE TRAINING**

2'064,783

**DOLLARS INVESTED
IN WATER AND
INFRASTRUCTURE
PROJECTS**



Producer and son participating in competitive potato production



— PART 3 —

WE ACT RESPONSIBLY



Producer of aguaymanto (Cape gooseberry or goldenberry) in MISTURA 2016



OUR FOCUS ON SOCIAL RESPONSIBILITY AND A CODE OF ETHICS

In ALAC we are committed to building a better future for Cajamarca. In this sense, we understand sustainable development to be a transformation in the quality of life of human beings by means of universal access to quality basic amenities, respect for fundamental rights, promotion of economic opportunities and skills, and access to social and production infrastructure.

As regards the focus on social responsibility, we are aligned with Yanacocha's Statement of Commitment* with respect to social responsibility, environment and safety. It contains the company's focus, which consists of acting with social legitimacy. For our ends, we underscore the following principles of this statement:



WITH RESPECT TO SOCIAL RESPONSIBILITY, WE WILL STRIVE TO:

Prioritize local employment and businesses, so as to foster an efficient, sustainable and participative entrepreneurial culture with social inclusion among rural and urban communities.



WITH RESPECT TO ENVIRONMENTAL RESPONSIBILITY, WE WILL STRIVE TO:

Protect the quality and quantity of water and seek out opportunities to work with the authorities and the community to improve its availability.

* The entire Statement of Commitment can be viewed at http://www.yanacocha.com/wpcontent/uploads/2015/07/Declaración-de-compromiso-2015_A4.pdf

MOREOVER, WE HAVE A CODE OF ETHICS AND CONFLICT OF INTERESTS THAT ESTABLISHES THE GUIDELINES AND RULES OF CONDUCT THAT ALLOW PERSONS WITH TIES TO OUR ASSOCIATION TO EXERCISE THEIR ACTIVITIES, ADOPTING BEHAVIORS THAT PROMOTE THE STRENGTHENING OF THE INSTITUTION'S REPUTATION WITH REGARD TO HONESTY, INTEGRITY AND THE FULFILLMENT OF DUTIES. THE CODE APPLIES TO ALL OF OUR PERMANENT STAFF, OUR BOARD OF DIRECTORS AND ADVISORY BOARD, AS WELL AS YANACOCHA PERSONNEL IN THE FULFILLMENT OF THEIR DUTIES IN PROJECTS AND PROGRAMS EXECUTED BY ALAC.





Training new partners at the UNICAs

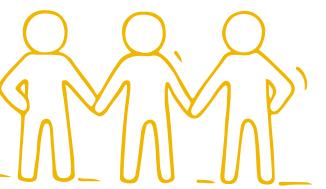


— PART 4 —

OUR RELATIONSHIP WITH THE COMMUNITY



Strengthening the development of financial capacities within the framework of the UNICAs project



BUILDING HARMONIOUS LINKS WITH THE COMMUNITY

We value and we build our reputation on the basis of principles that govern our actions as an institution and contribute to fostering a climate of trust among Cajamarcans:

- Develop our activities with ethics, transparency, efficiently and effectively.
- Foster the participation of the private sector, the State and civil society.
- Respect the local culture.
- Respect the environment.
- Promote equity.

Community engagement and communications are a cross-sectional objective. To achieve this, we rely on various printed and digital media: bulletins, wall panels, press releases and social networks management.

We would like to point out that we work very closely with our community, which allows us to learn about their expectations and whether these coincide with our institutional performance. In the course of our operations we have recognized the role of important Cajamarcans by means of an alliance with public and private institutions aimed at disseminating and emphasizing the contribution of their life and works to the

sustainable development of Cajamarca. Two tributes were made, one in February to Dr. Aníbal Zambrano and a second in September to Mr. Andrés Zevallos de la Puente for his hundred years.

During 2016, it is worth mentioning the 2015 Management Report that had a projects' fair and exhibition, where we presented the results of 21 projects implemented by ALAC/Yanacocha. 500 people from different public, private and civil society institutions attended the presentation. On the other hand, the implementation of the "Stories of Change" has contributed to sharing the results of the projects by means of real-life experiences on the part of the beneficiaries.

WE CONTINUE TAKING PART IN DIFFERENT SPACES THAT PROMOTE DEVELOPMENT LIKE THE ROUNDTABLE FOR THE STRUGGLE AGAINST POVERTY, COREMYPE, CORESAN, CONSUME LO QUE CAJAMARCA PRODUCE COLLECTIVE, AMONG OTHERS.



Acknowledgement by the provincial mayor of Cajamarca to the teacher Andrés Zevallos de la Puent
for his great cultural contribution to Cajamarca

STORIES OF CHANGE



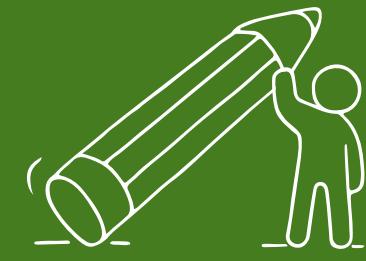
“I WISH TO BE A TEACHER WITH A VISION OF THE FUTURE”

Yolanda Suárez is a teacher committed to the future of her students. She teaches second grade at the 82912 Porcón Alto school. She took part in the Integrated School Network Project- PRIE (2008-2013), an initiative that contributed to improving the academic performance of the primary school students in the area of activities. Currently, she is part of the Fostering Reading Project and as is the case with many committed teachers, she focuses on reinforcing reading habits and writing of texts by her students.

“THESE STRATEGIES, THESE METHODOLOGIES AND TECHNIQUES HAVE HELPED ME TO IMPROVE ON A DAILY BASIS AND GIVE THE BEST OF MYSELF TO MY STUDENTS”.

Learn about this and other stories of change here:
www.mineriaquegeneradesarrollo.com





– PART 5 –

OUR CONTRIBUTION TO EDUCATION

3 PROJECTS EXECUTED:

- FOSTERING READING PROJECT IN CAJAMARCA
- ENTREPRENEURSHIP EDUCATION PROJECT IN CAJAMARCA
- CAJAMARCA SCHOLARSHIPS PROGRAM

14,888

STUDENTS
TAKING PART

336

TEACHERS
TRAINED

172

SCHOOLS

226,714

DOLLARS
INVESTED





QUALITY AND EQUITY IN EDUCATION

CONTRIBUTE TO IMPROVE QUALITY AND EQUITY IN EDUCATION WITH AN ENTREPRENEURIAL VISION



WE BOOST A PROCESS OF TEACHING
AND LEARNING THAT SEEKS COMPLETE
DEVELOPMENT OF THE STUDENTS

ALLIES FOR EDUCATION

The Ministry of Education once again recognized Yanacocha by means of the 2016 Ally for Education award, for its continued contributions to quality education and the educational projects it has implemented through ALAC and the company's External Affairs area. This recognition underscores the participation and cooperation of the private sector companies and civil society organizations in the implementation of the educational policies prioritized by the sector.

In order to boost the impacts of this strategic objective, we acted jointly and in coordination with all the participants of the educational process. We have established alliances with public and private institutions in order to comply with the task of improving quality and equity education with an entrepreneurial vision. Moreover, our educational projects have the participation of teachers, local authorities, the Ministry of Education, the Regional Board of Education and the parents.

We understand education to be one of the chief development axes for sustainable development. This is why we adhere to the Development Objectives of the United Nations, which establish

the following goal for 2030: to substantially increase the number of youths and adults with the necessary skills, particularly technical and professional, to access employment, decent jobs and entrepreneurship.

Education with an entrepreneurial perspective integrates cognitive and socio-emotional aspects in order to allow students to reach their maximum potential. Thus, once they've completed their basic education and throughout their lives, students will be able to apply the appropriate skills that will allow them to achieve their personal and collective objectives in specific situations: working cooperatively with ethics and an entrepreneurial attitude, seeking solutions to economic or social problems, contributing to the sustainable development of their communities, the country and the world.

COMMITTED TO EDUCATION

The projects executed have the objective of improving quality and equity in the provision of educational services in Cajamarca; to achieve this, we mobilize private and public talents and resources. In 2016 we continued developing

the following projects: Promotion of Reading, Entrepreneurial Education, and the Cajamarca Scholarships Program (PROBECA).

As a complement to the three main projects, it is worth mentioning the organization of the 1st Teachers' Forum on account of Teachers' Day, which had the participation of 450 teachers from 13 educational networks; the National Mathematics Competition, with 20 schools from all the country, co-organized with San Ramón school, and a vocational guidance conference aimed at 500 senior year students from the schools taking part in the Entrepreneurial Education Project.

FOSTERING READING IN CAJAMARCA

The Fostering Reading in Cajamarca Project was created to continue and strengthen the results of the Integrated Schools Network (PRIE) –that began its activities in 2008 and concluded in 2015 and whose objective was addressing low achievement, drop-out rates, and grade repetition. It focuses on the communications area, coordinating teaching and learning instruments of the Ministry of Education, such as the Learning Routes. It's aimed at 6,115 children from 125 primary schools located in the provinces of Cajamarca and Celendín, and seeks to foster reading habits: a practice that is becoming a tool for learning, as well as personal and social transformation.

The activities focused on educational networks established by a resolution of the Cajamarca Regional Board of Education (DRE) and respond to teacher training needs. The project promotes

the participation of teachers, authorities and parents with the aim of improving the quality of education for the students. In this sense, we would like to mention the participation during 2016 of 1,036 parents at meetings and awareness campaigns on reading.

In order to form quality school libraries, 11,342 textbooks were distributed among 111 primary schools in the districts of Cajamarca, La Encañada, Los Baños del Inca, Celendín and Sorochuco.

But this effort would be fruitless without a suitable strategy to foster reading. In the light of this, in addition to training 226 teachers, 38 reading campaigns with the Mobile Library took place in all the educational communities taking part in the project; one campaign in the Qhapac Ñan Complex, as well as 32 "Reading Together, We All Learn" radio programs, which involved the participation of child reporters trained by the project.

FOSTERING READING IN CAJAMARCA

11,342

TEXTBOOKS DISTRIBUTED
AMONG 111 PRIMARY SCHOOLS



1,040

PRIMARY SCHOOL STUDENTS
TAKING PART IN PROJECT PASSED
FROM THE "FAIL" LEVEL TO THE
"BASIC PASSING GRADES" LEVEL

40

TEACHER NETWORK
COORDINATORS CERTIFIED
AS PROMOTERS FOR
ENCOURAGING READING

226

TEACHERS FROM THE
EDUCATIONAL NETWORKS
TRAINED TO FOSTER
READING



An important step toward helping the population access quality, varied and reasonably priced books was the organization of the 1st Cajamarca Book Fair – FELICAJ, jointly hosted with the Cajamarca Provincial Municipality and the Decentralized Board of Culture, with the support of the Regional Board of Education, the National University of Cajamarca (UNC), the Private University of the North (UPN), the Guillermo Urrelo Private University (UPAGU) and the Cajamarca Chamber of Commerce and Production (CCPC).

ENTREPRENEURIAL EDUCATION PROJECT IN CAJAMARCA

This project's objective is to develop business skills among 8,773 students in freshman, sophomore and senior years in 47 schools in Cajamarca and Celendin. A student with an entrepreneurial spirit will be able to face the personal and professional risks encountered in his or her life, and will develop creativity,

confidence, leadership, teamwork and a positive attitude in the face of problems.

Teacher training is critical in this process. It is worth noting the implementation of the teacher preparation plan, that involves two kinds of on-site (three workshops in Cajamarca and Celendin) and virtual (8 tutorials) training.

During 2016, important alliances were established with the DRE, the Cajamarca UGEL, the Celendin UGEL, the Organization of American States (OAS), ALAC/Yanacocha, the Provincial Municipality of Cajamarca (MPC), the Cajamarca Chamber of Commerce and Production (CCPC), the Private University of the North (UPN), the Open Plaza Shopping Mall, and Asociacion Progreso. This alliance of public and private institutions enhanced the project's results and led to the organization of the 2nd Cajamarca Young Entrepreneurs' Exhibition & Fair 2016.



Exhibition & Fair, entrepreneurial education



Expoferia, educación emprendedora

ENTREPRENEURIAL EDUCATION IN CAJAMARCA

8,650

STUDENTS (98.6%)
HAVE IMPLEMENTED
PROJECTS

830

PROJECTS:
SOCIAL (37) AND
ECONOMIC (793)
ENDEAVORS

70

TEACHERS (86%) CERTIFIED IN
THE DEVELOPMENT OF SOCIAL
AND EMOTIONAL SKILLS AND
ENTREPRENUERIAL CAPACITIES



Vocational education conference

In this innovative event, 146 youths from 38 schools, 72 business projects developed throughout the year were presented and exhibited. This activity involved the participation of 9,383 people, among students, teachers, principals, parents, business people and the general public.

The training fulfilled the objectives of strengthening the skills of the teachers and educational coordinators. Furthermore, a classroom mentoring and monitoring process took place with 81 teachers during the exercise of their professional practices.

The inter-institutional agreement between the OEI and the MPC allowed for the preparation of educational material and the recognition of students whose youthful endeavors were underscored in the 2nd Exhibition and Fair; it should be noted that one of these endeavors obtained the first place for Cajamarca for a second consecutive year in the 2016 Create and Manage Competition.

PROBECA. ALBERTO BENAVIDES DE LA QUINTANA 2016 SCHOLARSHIP

With the aim of contributing to the creation and strengthening of human capital, the Cajamarca Scholarship Program facilitates access to the study of Master's degrees and technical specializations to youths and professionals in the region willing to use their talent to promote the sustainable development of Cajamarca.

The program, implemented by ALAC/Yanacocha, promoted cooperation ties with local, national and international universities and specialized entities, such as the Fulbright Foundation and the French Embassy.

In 2016, the program granted a scholarship for a Master's degree in the United States and fostered strengthening in project management and soft skills for scholarship beneficiaries that have returned to Cajamarca. Furthermore, 15 scholarship beneficiaries received mentoring to aid in the development of their professional and personal objectives.



Convening of PROBECA

PROBECA

1

MASTER'S
SCHOLARSHIP
GRANTED FOR STUDIES
IN THE UNITED STATES

15

SCHOLARSHIP BENEFICIARIES
COMPLETED THEIR MASTER'S DEGREES
AND ARE WORKING IN PUBLIC AND
PRIVATE INSTITUTIONS IN CAJAMARCA

2

SCHOLARSHIP WINNERS
PURSUE THEIR MASTER'S
DEGREES IN UNITED
STATES UNIVERSITIES





n	Eu	Gd	Tb	Dy	Ho	Er	Tm	Y
	Am	Cm	Bk	Cf	Es	Fm	Md	

SALES NEUTRAS
Todos los hidrógenos
son sustitutos



Students at Santa Teresita school winners of the 2016 Create and Manage Competition - Dulcigomitas (Gumdrops) Mischki

STORIES OF CHANGE



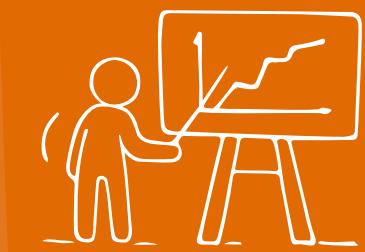
“WHAT I LIKE IS FOR MY ASSOCIATION TO GROW, AS WELL AS MY COMMUNITY”

Saúl Ortiz Huamán stands out due to his entrepreneurial capacity. He lives with his family in Polonia La Colpa village in the province of Bambamarca. He has taken part in several programs and projects and has become a promoter of development in his locality. He learned from the Livestock Development project and the UNICA program, and won the small production projects competition. His vision and effort have allowed other families in his community to develop.

“WE ALREADY HAVE A WELL CONFORMED UNICA, BECAUSE WE ARE NOW FINANCIALLY STABLE AND WE CAN PROVIDE FOR EACH OF OUR PARTNERS. AND OUR DREAM IS TO CONTINUE MOVING FORWARD, TO KEEP REACHING OUT TO THEM, TO PROVE THAT AS A GROUP, IN A PARTNERSHIP, WE CAN WORK BETTER”.

Learn about this and other stories of change here:
www.mineriaquegeneradesarrollo.com





— PART 6 —

GENERATING SUSTAINABLE BUSINESS OPPORTUNITIES

13 PROJECTS EXECUTED

- COMPETITIVE FUND FOR SMALL-SCALE PRODUCTION PROJECTS (6)
- ALTERNATIVE INCOME PROGRAM-PIA (3)
- MAXIMIZING VALUE FOR EDIBLE MUSHROOMS IN PINE FORESTS
- SAVINGS & LOANS UNIONS (UNICA)
- FOSTERING AND STRENGTHENING BUSINESS SKILLS
- LOCAL SUPPLIERS FOR YANACOCHA LINKAGES

1'817,095

SOLES GENERATED BY SALE
OF PRODUCTS FROM LOCAL
PROJECTS AND BUSINESS
ENDEAVORS



2,467

PRODUCERS AND
ENTREPRENEURS
TRAINED

240

JOBs
CREATED



DEVELOPMENT OF PRODUCTION AND BUSINESS CAPACITIES

CONTRIBUTE TO THE DEVELOPMENT OF BUSINESS SKILLS WITH SOCIAL RESPONSIBILITY IN SECTORS WITH COMPETITIVE AND MARKET BOTH IN RURAL AND URBAN CAJAMARCA



BUSINESS SKILLS WITH SOCIAL RESPONSIBILITY

The projects developed have produced positive impacts on society, self-employment, formal, quality jobs, employment reduction in poverty and care for the environment. During 2016 projects have been implemented in partnership with grassroots organizations, entrepreneurs and business people from rural and urban zones in the province of Cajamarca. Our working strategy has been capacity-building, technical assistance, transfer of technology, access to credit, and commercial links to competitive markets.

It is worth mentioning that in order to contribute to project sustainability, strategic alliances were made with businesses, non-governmental organizations, and municipalities, among other institutions.

DEVELOPING SUSTAINABLE BUSINESSES

Social responsibility contributes to building organizations that comply with the ethical, legal, social and environmental expectations that the community expects. This will allow them to improve competitiveness, increase their incomes, access more demanding markets and act responsibly.

During 2016 the elements for project sustainability have been the development of market studies and business plans (indispensable management tools in the process of business growth), and the gradual strengthening of grassroots organizations with an emphasis on commercial linkages.

PROMOTING PROJECTS WITH COMPETITIVE POTENTIAL

A business with a competitive potential, among other aspects, possesses a suitable organization, a forward-looking approach, and is socially and environmentally responsible. During 2016 we continued to contribute to this strategic goal with the development of thirteen projects, six of them through the Competitive Fund for Small Production Projects, Savings & Loan Unions (UNICAs), Maximizing Value for Edible Mushrooms in Pine Forests, Fostering and Strengthening Business Skills for the districts of Los Baños del Inca and Cajamarca, Local Suppliers for Yanacocha Linkages project, and three projects through the Alternative Incomes Program (PIA).

It is worth noting the participation of 25 producers in local and national fairs such as: Yanacocha Consumes what Cajamarca produces, Fongal and Mistura, generating total sales of S/170,000 for

products such as dairy products, Andean products, vegetables, native potatoes, aguaymantos (Cape gooseberries), handicrafts, jewelry and local dishes.

This initiative has been implemented with the participation of the Cajamarca Chamber of Commerce and Production (CCPC), the Provincial Municipality of Cajamarca (MPC), the Regional Board of Production – Manager of Economic Development of the Regional Government, by means of a commercial linkages collective.

COMPETITIVE FUND FOR SMALL-SCALE PRODUCTION PROJECTS

By focusing on broad-based development, ALAC/Yanacocha launched the 8th competitive fund for Small-scale Production Projects, which resulted in three winners, these being producers' associations for dairy products and aromatic herbs.

The competitive fund has proven experience in:
a) Promoting organizational and institutional strengthening of grass roots organizations (OdB);
b) developing synergies among the various social agents (public and private) of the OdBs' context; c) improving production systems; and strengthening capacities for access to markets, credit and capital.

During 2016 programmed activities continued in conjunction with the livestock growers' associations of the seventh process. The Asociación Agropecuaria AGROLAC, of the San Antonio de Pachachaca village, district of La Encañada is made up of 12 partners devoted to the production of organic maca. During the period under examination, they complied with the development of programed organizational and technical production activities. The Hortifrescaj OdB, devoted to the production of organic vegetables, had 12 partners who during 2016 began to apply the organizational tools they had



7TH COMPETITIVE FUND

3
36

WINNING PROJECTS
PEOPLE TRAINED IN BUSINESS MANAGEMENT, MARKETING AND TECHNICAL PRODUCTION MANAGEMENT

34
S/ 47,761

JOBS CREATED
IN PRODUCTS SOLD

8TH COMPETITIVE FUND

3

WINNING PROJECTS HAVE ALREADY COMMENCED ACTIVITIES

PROJECTS BEING EXECUTED. 8TH PROCESS

Name of project	Name of grassroots organization	Amount S/.	Location	Period months
Improvement of production processes and increase in production and marketing of our dairy products	Asociación Campesina para la Transformación Agrícola Láctea (ACTAL)	60,000	El Triunfo hamlet, Combayo village, district of La Encañada	12
Competitive development of Andean products	Casa de Abraham	60,000	Maraypata hamlet, Combayo village, District of La Encañada	12
Competitive development of dairy products chain	Asociación de movimientos e inversiones, créditos y ahorros Santa Apolonia (AMICASA)	60,000	Yanacancha Baja village, district of La Encañada	12
Total	180,000			

Own sources

acquired. This project has created 7 jobs to date and S/ 635.70 of monthly income per partner. On the other hand, the Rayito de Luz OdB with 12 partners also, applies the management tools implemented in the course of developing the organizational, technical production and commercial components. It is devoted to textile production and has created 10 jobs and S/ 3,000 in revenues from the sale of garments during 2016.

As regards the eighth process, the three winners are in the first quarter of project execution with training activities in organizational strengthening and development of management tools.

PROGRAM FOR ALTERNATIVE INCOMES - PIA

This action has contributed to generate income among small-scale producers in the area of Yanacocha's Conga project, by means of the strengthening of organization, production and marketing. It was made up of three projects: potato production, organic aguaymanto (Cape gooseberries) and dairy products.

The Potato Project was developed in the districts of La Encañada, Sorochuco and Huasmín; it focused on developing production networks and strengthening technical production, organizational and commercial capacities.



The project concluded in 2016. The activities for its sustainability were the signing of a commercial agreement of the producers' associations with ADERSCORP, as well as the organization of a regional forum to share the main results obtained in 2016, among which are training 752 producers, 44 jobs created, and S/123,024 in income from sales by producers.

The Organic Aguaymanto (Cape Gooseberry) project was executed in the province of Celendín with the aim of increasing the supply of aguaymanto by means of the creation of production networks. The project concluded in July 2016. ALAC/Yanacocha developed the project directly, in an alliance with the Villa Andina company, INIA and SENASA. Among the results are the production of 34,312 kilos of aguaymanto, of which 297 kilos of fresh fruit were selected for export to a supermarket in Italy, Altromercato, as part of a marketing test within the framework of strengthening commercial skills and so the producers' association could familiarize itself with the export quality standards required. In addition, a producers' cooperative achieved formal status: Cooperativa Agraria de Productores Cielo Azul de Celendín (CAPCA CELENDIN LTDA), at year-end, was in the process of organizational strengthening with the preparation of a strategic plan as well as a business plan.

The Dairy Products Project contributed to increasing the income of its participants by means of strengthening the technical capacities and quality standards of nine fresh cheese micro-processing plants in the villages of Alto N° 08, Coñicorgue, Jadibamba and Pampa Verde, of the Huasmin district. By the end of 2016, the project

was coming to its close. Field work concluded in July of 2016. Nevertheless, during the last quarter of the year, the organizational part and commercial linkages have been strengthened thanks to obtaining a sanitary certification from the Ministry of Health for two products, pasteurized fresh cheese and Swiss type cheese, as well as a strategy for participating in fairs and other commercial events.

"MAXIMIZING VALUE FOR EDIBLE MUSHROOMS IN CAJAMARCA PINE FORESTS" PROJECT

Good ideas come to fruition with a suitable business strategy. The National Fund for Work Training and Job Creation (FONDOEMPLEO) and Yanacocha working through Asociación Los Andes de Cajamarca (ALAC) has developed the Maximizing Value for Edible Mushrooms in Cajamarca Pine Forests project. During 2016, this initiative, executed by the Civil Association for Forestry Research and Development (ADEFOR), has trained 154 people in forestry for pine forests, collection and drying techniques, nutritional value of mushrooms, mushroom-based recipes, and has built capacities in administrative, organizational management and marketing tools. Additionally, 187 people received technical advisory assistance visits, which has allowed the production of more than four metric tons of dried mushrooms. Out of these, three tons were exported to Brazil and Germany thanks to an agreement of the Jalca Verde Cooperative with a local middleman.

SAVINGS AND LOANS UNIONS (UNICA)

United by the trust and knowledge of its members, the UNICAs are multi-family associations. They are made up of a group of approximately ten to



EDIBLE MUSHROOMS PROJECT

16,846

DAY'S WAGES PAID

4,321

KILOS OF DRIED MUSHROOMS MARKETED

S/ 80,442

IN SALES

thirty families from a same community. Once it has been created, the association provides savings and loans services. Thus, it can provide liquidity to its partners, allowing them to generate production networks that aid the sustainable development of the communities.

Among the most noteworthy activities that have taken place during 2016, are the monitoring and follow-up visits for the strengthening of the 84 UNICAs set up during the 2008-2013 period, where 1,200 families participated. In addition, 4 financial and organizational workshops were organized with the participation of 178 UNICA leaders.

It is worth noting that 77 UNICAs graduated with top marks in administration and finance, thus allowing them to run themselves sustainably.

BUSINESS SKILLS CAPACITY FOSTERING AND STRENGTHENING PROJECT FOR LOS BAÑOS DE INCA AND CAJAMARCA DISTRICTS

This project is an invitation to action. Innova and Emprende's aim is to support business ideas and going concerns created by men and women between the ages of 18 and 40 in urban and rural contexts in the districts of Cajamarca and Los Baños del Inca. It is being executed by the Cajamarca Chamber of Commerce and Production (CCPC), and co-financed by FONDOEMPLEO, ALAC/Yanacocha and the Municipality of Cajamarca (MPC).

The project has a duration of 20 months and began in May 2016.

Among its main goals are:

- Strengthening business skills for 200 beneficiaries (100 with business ideas and 100 with going concerns).



Participants at the UNICAs graduation ceremony

SAVINGS AND LOANS UNIONS

4,030

PARTNERS TAKING PART
IN THE UNICAs (55%
WOMEN)

77

UNICAs OBTAINED TOP MARKS
IN ADMINISTRATION AND
FINANCE

45

JOBs CREATED BY 15
ENDEAVORS ON THE PART OF
UNICAs

1.6%

AVERAGE DEFAULT RATE ON
UNICA LOANS

S/ 7'383,250

ACCUMULATED EQUITY
AT DECEMBER 2016



Profit distribution within the framework of the UNICAs project

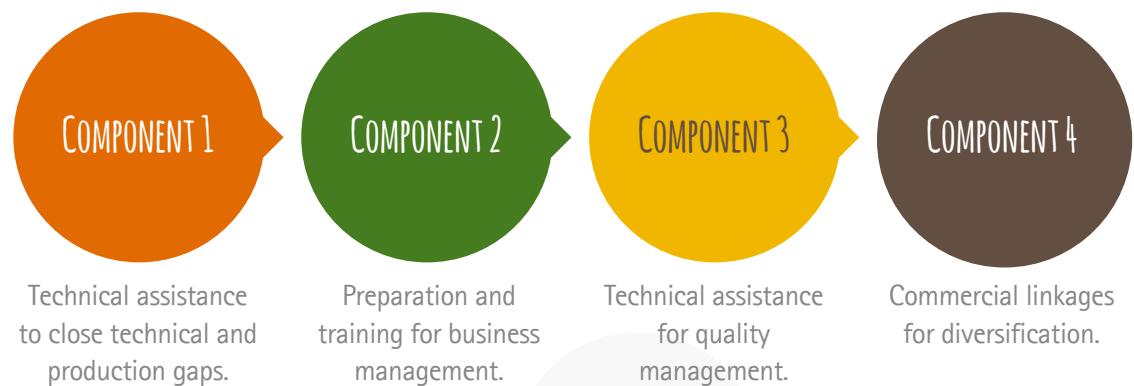
- To contribute to the launching of 50 new businesses and strengthen 50 existing ones with preparation and training, the delivery of seed capital, and permanent technical assistance.

YANACOCHA LOCAL SUPPLIERS LINKAGES PROJECT

In 2016 it took part in the projects competition of

the Ministry of Production's National Innovation Program for Competitiveness and Productivity (Innovate Perú), obtaining co-financing of S/ 600,000 for the Yanacocha Local Suppliers Linkages project. This project seeks to close the technical and production gaps for quality, as well as for business management of 12 local businesses taking part. Project components are:

PROJECT COMPONENTS



Launch of Innovate and Manage Project



FOSTERING AND STRENGTHENING BUSINESS SKILLS

277

PEOPLE TRAINED IN BUSINESS MANAGEMENT,
BUSINESS PLANS AND SOFT SKILLS (59% WOMEN).
THE SOFT SKILLS COURSES INCLUDED: TEAMWORK,
LEADERSHIP, EFFECTIVE COMMUNICATIONS, CONFLICT
MANAGEMENT, TOLERANCE OF DEFEAT, CREATIVITY
AND INNOVATION



Participation of MISTURA producers

STORIES OF
CHANGE



“NOW WE HAVE MORE WATER IN OUR HOMES”

Mrs. Hermilia Bada sees the future of her community with happiness and optimism. Just like her, many inhabitants in the upper part of Mollepampa, La Paccha sector, now count with a water connection in their homes. Their lives and those of their families have notably improved since being able to count with this basic service. The Water for Cajamarca project has benefited thousands of Cajamarcans through better access to potable water.

“AT ONCE, WHEN THEY INSTALLED THE CONNECTIONS, WE ALREADY HAD THE HOPE OF HAVING OUR WATER. NOW WE HAVE WATER FOR COOKING, FOR DRINKING AND FOR WASHING”.

Learn about this and other stories of change here at:
www.mineriaquegeneradesarrollo.com





— PART 1 —

ACCESS TO WATER TO IMPROVE QUALITY OF LIFE

3 PROJECTS EXECUTED

- WATER FOR CAJAMARCA PROGRAM
- IRRIGATION PROJECTS IN THE RURAL AREA – PSI AGREEMENT
- HEALTH INFRASTRUCTURE- EL TINGO HEALTH CENTER



+180,000

PEOPLE IN THE CITY OF
CAJAMARCA HAVE MORE
HOURS OF POTABLE
WATER IN THEIR HOMES

2,000

STUDENTS AND 60
TEACHERS TRAINED IN
WATER MANAGEMENT

23,800

PEOPLE HAVE POTABLE WATER FOR THE FIRST
TIME THANKS TO THE INSTALLATION OF 5,402 NEW
CONNECTIONS IN THE MOLLEPAMPA SECTOR



WATER AND INFRASTRUCTURE FOR DEVELOPMENT

PROMOTE THE INVESTMENT OF PUBLIC AND PRIVATE RESOURCES IN SOCIAL INFRASTRUCTURE WITH AN EMPHASIS ON WATER



INVESTING IN WATER TO IMPROVE QUALITY OF LIFE

We generate joint efforts between the public and private sectors to direct financial resources toward investments that substantially improve the quality of life among the population. In this sense, social infrastructure prioritizing water management is a fundamental aspect for communities, which is why we devote special attention to irrigation projects, generating conditions for better access, as well as potable water and sanitation that meets the minimum standards for its consumption.

SOCIAL INFRASTRUCTURE WITH AN EMPHASIS ON WATER

To meet this aim is a priority commitment taken on by ALAC/Yanacocha and various public and private institutions. Efforts during 2016 were aimed at the closure of the Solidarity Mining Program (PMSC) Yanacocha contribution, especially focusing on the preparation of studies, profiles and technical reports for water systems, basic infrastructure, education and irrigation. Furthermore, execution of the sanitation and environmental education program (EDUSA) began, with the transfer of 10 projects executed by the Water for Cajamarca program to the Cajamarca Provincial Municipality, as well as

discussing the Urban Development Plan and other projects derived from agreements signed between ALAC/Yanacocha and Coimolache, among other activities.

SOLIDARITY WITH THE PEOPLE OF CAJAMARCA MINING PROGRAM (PMSC)

The program was created in 2007 to promote welfare and social development. Investment in the fields of nutrition, education, health, production projects, institutional strengthening, basic infrastructure and others has helped to improve living conditions for the population and the communities, mainly within the area of influence of Yanacocha. As part of the closure process, during 2016 a number of co-financed actions were concluded, with the results set out below.

WATER AND INFRASTRUCTURE FOR DEVELOPMENT

We all have the right to potable water and adequate sanitation. This group of projects has had this goal in mind, as it not only generates a healthy quality of life, but also positively impacts the economy of the most vulnerable population groups.

SOLIDARIDAD CAJAMARCA MINING PROGRAM (PMSC)

Area	Project	Results 2016	Beneficiaries
Production Projects	Water supply from the Isoconga livestock enclosure	1 technical report approved by the Provincial Municipality of Cajamarca (MPC)	El completed project will benefit 5,000 families
	Construction of the municipal slaughterhouse	1 pre-investment study approved by the MPC	The completion of this work will benefit 120,000 inhabitants
Institutional strengthening	Management plan for the old city sector of Cajamarca	Plan approved and shared	40,000 inhabitants of the old city
	Urban development plan	Approved by the Cajamarca municipal council	The entire community of Cajamarca
Basic Infrastructure	Electrification of sector 9 of the city of Cajamarca	It has the transfer resolution from Hidrandina	16 educational institutions
	Construction of perimeter wall of PTAP Santa Apolonia	Wall 100% completed	72,000 families benefited (70% of the Cajamarca population)
	El Empalme - Gordillos - San Miguel road	1 resolution issued by the Provincial Municipality of San Miguel approving technical report	4,150 families will be benefited

The "Water for Cajamarca" program is being executed thanks to the efforts of the Provincial Municipality, SEDACAJ, Yanacocha and ALAC. Its goal is to improve the waterworks, install more connections, and increase the distribution of potable water in the city. During 2016, we should mention the approval of the "Improvement of the Milagro and Santa Apolonia Treatment Plants" public investment project.

As regards the education in sanitation component, it is worth noting the active participation of 8 public and private schools, 60 teachers trained in the implementation of strategies and activities for the use and management of water, as well as the organization of the Water Management through Healthy Practices Fair "Day of Accomplishment for Water Management".

WATER PROJECTS

Area	Project	2016 Results	Beneficiaries
Water for Cajamarca Program	10 projects executed	Resolution for the transfer and reception on the part of the MPC	The entire community of Cajamarca will benefit
Water for Cajamarca Program	Improvement of the El Milagro and Santa Apolonia treatment plants	Technical project profile approved by resolution and registered with SNIP code	168,000 people will benefit
Rural area: potable water system (SAP) and water management plans	Sanitation and environmental education	2,000 students and 60 teachers trained to take part in the project	Teachers and students from 8 schools
Irrigation infrastructure	Preparation of technical report for construction of the Chugurmayo potable water system	Report approved by the District Municipality of Sorochuco	Will benefit 80 families
Irrigation infrastructure	Water management plan for reduction of impacts on communities	Plan approved by Minera Yanacocha	27 families
Basic Infrastructure	Technical Irrigation Projects, financed by the Irrigation Sub-sector Program (PSI)	1 technical irrigation project built. 6 technical irrigation projects begin construction	The completed project will benefit 338 families
Basic Infrastructure	Electrification of the Quengorio Alto hamlet	1 technical report approved by Hidrandina	The completed project will benefit 41 families
Basic Infrastructure	Electrification of the Quishuar Corral hamlet	1 technical report approved by MPC	The completed project will benefit 909 families

PROJECTS BASED ON AGREEMENTS

In an alliance between the Irrigation Sub-sector Program (PSI Sierra) of the Ministry of Agriculture, the Board of Users of the Chonta River, ALAC/Yanacocha and the Calet Group of Business Management, the first system of technical irrigation of 24 hectares (out of 7 programmed) was inaugurated in the district of La Encañada, San Juan de Yerba Buena village. It will allow the efficient use of water to improve agricultural

production and productivity of this business group.

Thanks to an inter-institutional agreement signed between Consorcio Minera Coimolache and ALAC, during 2016 a transfer of financial resources was made to prepare the studies for the construction and equipping of the 1-1 El Tingo- Hualgayoc health facility. By year-end 2016 the work was 95% complete.



El Tingo Health Facility

SAN JUAN DE YERBA BUENA MODERN TECHNICAL IRRIGATION SYSTEM

40%

INCREASE IN IRRIGATION
EFFICIENCY OVER AN
AREA OF 24 HECTARES





Water watchers children of the EDUSA project

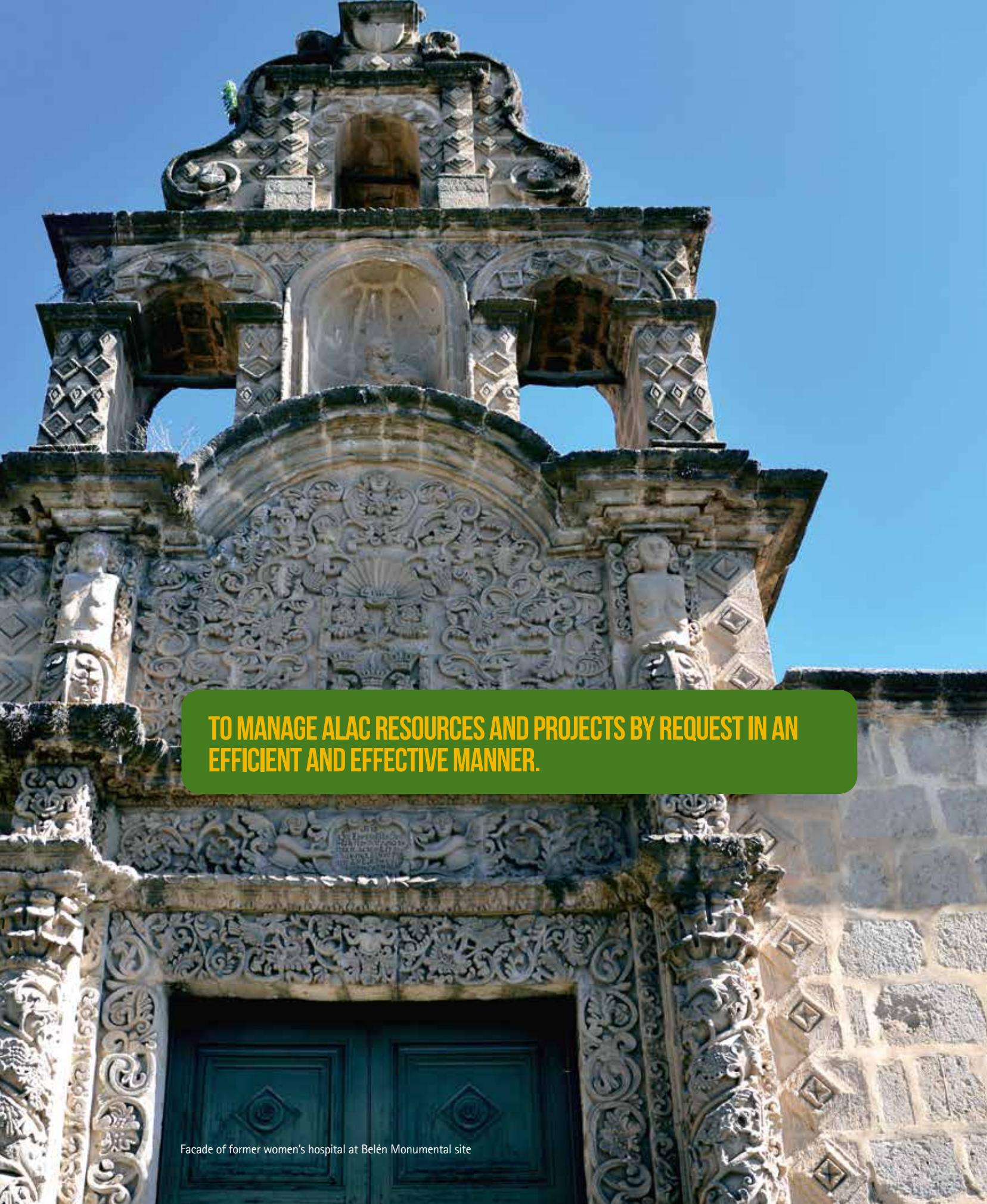


ALAC Offices - Qhapac Ñan



- PART 8 -

ADMINISTRATIVE AND FINANCIAL MANAGEMENT



**TO MANAGE ALAC RESOURCES AND PROJECTS BY REQUEST IN AN
EFFICIENT AND EFFECTIVE MANNER.**

Facade of former women's hospital at Belén Monumental site



ADMINISTRATION & FINANCE

A. ADMINISTRATIVE MANAGEMENT

- The safety and occupational health training plan for 2016 was established, and all the activities planned for the year were carried out, with an aggregate attendance of 93% by the end of the period, an amount in excess of the safety committee's goal.
- The financial audit for fiscal year 2015 was carried out by Dongo Soria Et Gavelio, a firm associated with PriceWaterHouseCoopers, obtaining a favorable opinion.
- Actions were carried out before the Superintendence of Fiscal Administration (Peruvian IRS) to obtain the renewal of the status as an entity qualified to receive donations. Said renewal for three years was obtained in September 2016.
- Based on the decision adopted by the Board of Directors, infrastructure adaptations were made and implemented at the site located in the Qhapac Ñan Complex for the institution's offices. Said adaptations concluded at the beginning of the third quarter with an investment of US\$ 119,528.
- In order to achieve efficiency in the use of financial resources, it was decided to have the FONCREAGRO and Yanacocha Information and

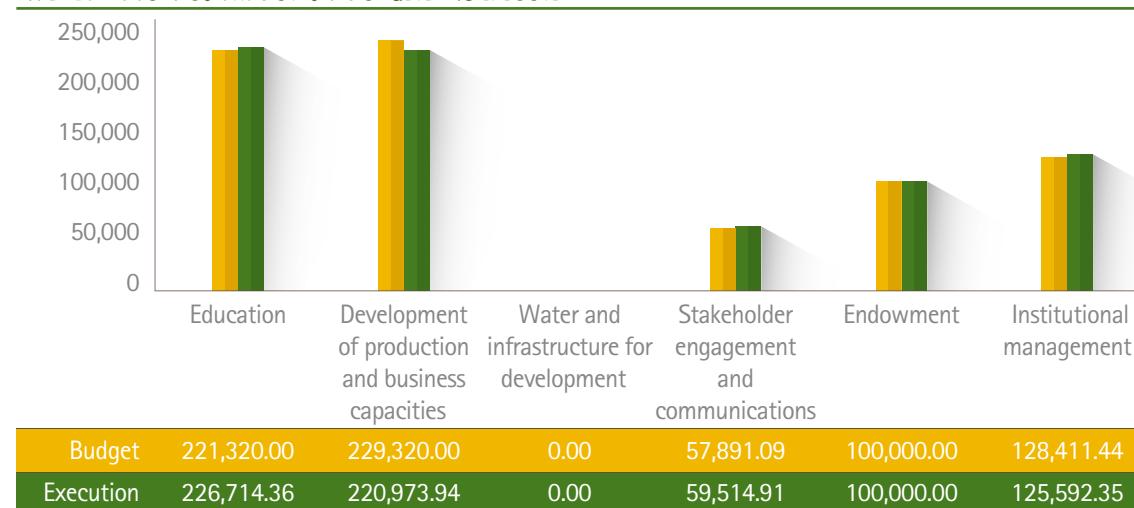
Culture Center at the same location. They have been operating at the Qhapac Ñan installations since October.

- Pursuant to the agreements adopted by the Investments' Committee and in order to reduce administrative costs as well as fiduciary operational costs, the liquidation of the trust fund for the Solidarity Mining Program was carried out, transferring the outstanding amounts to accounts specially opened at the Banco de Crédito for the management of these resources. Financial income for an amount of US\$ 88,668 was generated from interest yields on certificates of deposit constituted on the basis of management of outstanding amounts in ALAC accounts. Furthermore, in order to manage the outstanding amounts in the accounts of the FML (Local Mining Fund) and the FMR (Regional Mining Fund), certificates of deposit were issued, generating financial income for US\$ 64,906.
- Within the framework of the Mining Program, payment was obtained from Hidrandina SA for the Refundable Contribution for the CAJ10 Project executed with FML resources. Said refund totals S/. 725,008, which has been allocated to the Fostering Reading project.

B. BUDGET MANAGEMENT

For 2016, the regular budget financed by Minera Yanacocha for US\$ 734,942.53 was approved. At December 31, 2016, an execution of US\$ 732,795.56 was achieved, representing 99.8% of the budget.

MY 2016 ANNUAL CONTRIBUTION: BUDGETED VS EXECUTED



Our strategic allies

Budget execution includes the resources allocated to ALAC's endowment for an amount of US\$ 100,000 as well as expenses pledged by means of agreements or contracts in the order of US\$ 107,124 (14.6%) and that will be paid in

the first quarter of 2017. Commitments are for the financing of the small production projects that won the VIII tender process, the second installment for financing the ABQ Scholarship granted in 2016.

EXECUTION OF BUDGET IN US\$ AS OF 31-12-2016

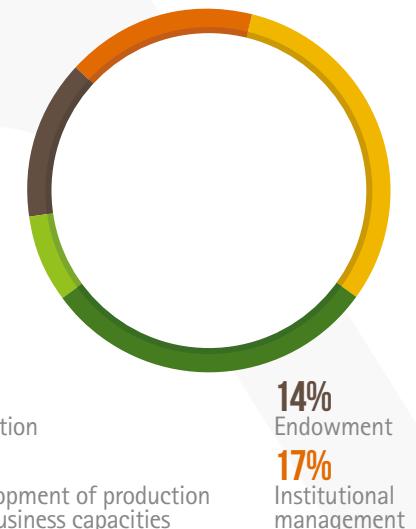
Description	MY Annual Budget	Expenses at 12-31-16	Committed at 12-31-16	Executed US\$	%
Financing of Projects and communications	506,531.09	400,078.58	107,124.63	507,203.21	100.1%
Endowment	100,000.00	100,000.00	-	100,000.00	100.0%
Administrative Expenses	128,411.44	125,592.35	-	125,592.35	97.8%
Total	734,942.53	625,670.93	107,124.63	732,795.56	99.7%

Fuente: Elaboración propia

In the following chart we can see the objectives of lines of action with the greatest execution, which are Education, followed by Development of Production and Business Capacities. On the other hand, in 2016 the contribution to the Endowment represents only 14% of execution.

For 2016, a total budget of US\$ 5'088,634.19 was estimated, considering other funding sources, of which US\$ 734,942.53 come from Yanacocha's annual contribution (regular budget), US\$ 824,467.96 come from special contributions from Yanacocha for special projects in the area of the province of Celendín, US\$ 194,292.78 come from special contributions by Yanacocha for improving Potable Water supply in Cajamarca, US\$ 320,985.91 from the Fondoempleo Yanacocha Co-financing Fund, US\$ 1'177,648.70 from the outstanding amounts of the Solidarity Mining

BUDGET EXECUTION – MY ANNUAL CONTRIBUTION (US\$)



Program (Voluntary Contribution by Yanacocha), and US\$ 1'839,860.32 from other public and private organizations (Compañía Minera Coimolache, INNOVATE Perú, among others).

Total expenses executed at December 31st, including other sources of financing (PMSC included) total US\$ 3,714 297.86. On the other

hand, there are pledged expenditures (for all financing sources) for the amount of US\$ 1'085,943.46 in projects that will be completed during 2017, with which 94% of the total budget for 2016 will be executed. Total administrative expenses for 2016 are US\$ 441,445.89, representing 9.2% of total executed (for all financing sources) during this period.

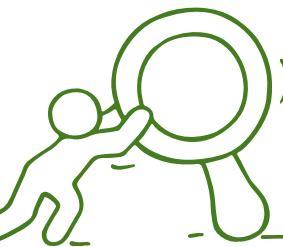
ALAC 2016 BUDGETED VS TOTAL EXECUTION (US\$)



Source: ALAC Administration department



Representatives of OdB in training workshop



MONITORING AND CONTROL OF TRUST FUNDS

A. ALAC TRUST FUND

At December 31, 2016, the value of the equity is US\$ 6'438,199, with a yield obtained in 2016 of 3.59%, with a nominal variation of US\$ 218,789. Accrued yield since setting up the trust fund is 53.85% (Source: CREUZA report at December 16).

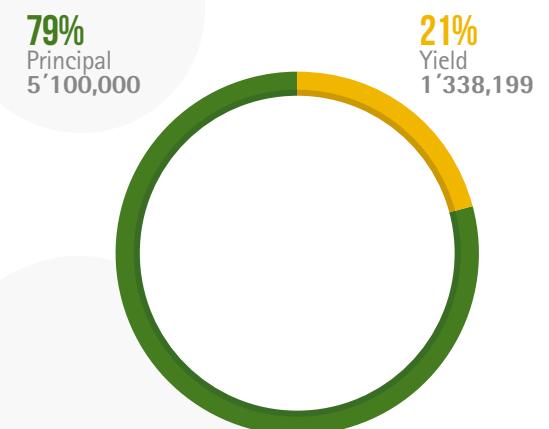
Equity is made up of: contributions by Yanacocha for US\$ 5'100,000 and aggregate yields since trust fund was set up of US\$ 1'338,199.

VALUE OF PORTFOLIO IN US\$ 12-31-2016

Beginning of Administration	01-Sep-06
Initial Value of Portfolio	1'598,720.00
Value of Portfolio from Previous Quarter (December 2015) (a)	6'119,410.00
2016 Contribution (b)	100,000.00
Profit / Loss 2016 (c)	218,789.00
ACTUAL VALUE (a) + (b) + (c)	6'438,199.00

Own sources

ALAC EQUITY TRUST 2016 (US\$)



Unlike 2015, for the current year there were positive results on the trust's yields, which were 3.59% per annum.

The detail of monthly yields since the creation of the trust (2006) is seen in the following chart:

MONTHLY AND ACCUMULATED YIELDS SEP 2006 – DECEMBER 2016

YEAR	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2006	-	-	-	-	-	-	-	-	0.35%	0.18%	0.67%	1.76%	2.99%
2007	1.31%	2.15%	2.35%	2.91%	1.26%	1.14%	1.06%	-1.01%	2.74%	2.30%	-1.89%	-0.26%	14.86%
2008	-1.38%	2.95%	1.24%	0.56%	0.58%	-2.21%	-0.78%	-2.39%	-3.79%	-9.92%	1.14%	3.48%	-10.69%
2009	-0.33%	-1.40%	3.83%	3.56%	3.50%	0.01%	2.30%	1.58%	3.53%	-0.81%	1.56%	-0.26%	18.24%
2010	-1.57%	1.34%	2.59%	1.67%	-2.47%	-0.32%	2.56%	-0.17%	4.64%	2.47%	-0.27%	3.38%	14.48%
2011	-0.57%	0.74%	-0.04%	-0.34%	-0.21%	-1.95%	2.53%	-1.55%	-4.94%	4.01%	0.20%	-0.20%	-2.56%
2012	2.70%	1.63%	1.26%	0.91%	-2.81%	1.73%	1.21%	0.82%	2.03%	0.44%	1.05%	1.09%	12.63%
2013	0.70%	0.20%	0.31%	-0.74%	-2.48%	-2.51%	1.19%	-1.19%	1.46%	1.52%	-0.85%	1.14%	-1.34%
2014	-1.84%	1.69%	-0.04%	1.92%	1.08%	0.73%	-0.41%	0.55%	-1.54%	-0.42%	-0.48%	-0.31%	0.86%
2015	-0.54%	0.44%	-0.48%	0.75%	-0.03%	-1.72%	0.43%	-3.12%	-2.24%	3.45%	-0.22%	-1.58%	-4.90%
2016	-2.62%	-0.04%	2.63%	1.67%	-0.33%	0.48%	2.11%	0.56%	-0.20%	0.45%	-2.33%	1.30%	3.59%

Source: Fiduperú – Creuza monthly reports December 2016

ANNUAL YIELD OF ALAC PORTFOLIO (US\$)



B. PMSC TRUST

At May 31st, PMSC's portfolios were liquidated, both from the Local Mining Fund and the Regional Mining Fund, with the outstanding balances being transferred to accounts opened for each fund with the Banco de Crédito del Perú, being as follows:

PMSC RESOURCES AT 05-31-16

Currency	Local Mining Fund	Regional Mining Fund
National:	8'484,854.40	2'430,263.13
Foreign:	35,137.95	2'439,881.07

Account balances at 12-31-2016 re the following:

PMSC RESOURCES AT 12-31-2016

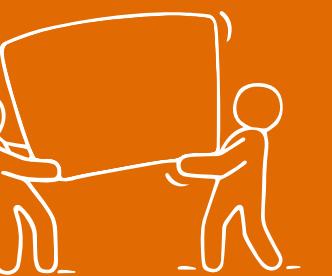
Currency	Local Mining Fund	Regional Mining Fund
National:	7,188,004.18	2,468,121.18
Foreign:	125,873.11	2,180,769.28

Some of the important events in 2016 were:

- Within the framework of the Mining Program, payment was received from Hidrandina S.A. for the Refundable Contribution for the CAJ10 executed with FML resources. Said refund totals S/. 725,008, which has been allocated to the Fostering Reading project.
- After several appeals, the Tax Court ruled in favor of ALAC, to the effect that SUNAT return the Net Assets Tax paid in 2014 pursuant to the reactivation of exemption of this tax for non-profits. The amount recovered in this respect was S/ 44,086.87 corresponding to the FML and S/ 35,824.15 for the FMR.
- On the other hand, on the basis of managing the outstanding balances in the FML and FMR accounts, time deposits were set up, generating financial returns of US\$ 50,533 for the FML and US\$ 14,373.56 for the FMR.



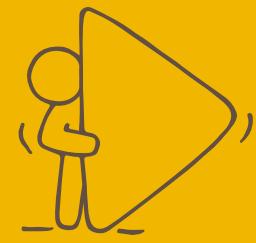
SEDACAJ teachers' internships



— PART 9 —
**ALAC
TEAM**

COMMITTED TO THE DEVELOPMENT OF CAJAMARCA





— PART 10 —
**OUTLOOK
FOR 2017**



We work for the future of our people.



A FUTURE WE EMBRACE WITH OPTIMISM

CHALLENGES FOR 2017

1. We will renew our commitment "**In Cajamarca wáter is first**", emphasizing the joint efforts of all parties to make this idea reality.
2. We will develop and implement a recreational, scientific, and itinerant site, linking environment to mining, thus facilitating a scenario for encounters with inclusion and social ownership of knowledge.
3. We will mobilize our **volunteer work initiatives** around the educational projects being executed by ALAC, constantly strengthening communal activities.
4. We will promote positive and constructive thinking toward a sustainable commercial dynamic with small-scale producers in the region and their communities, creating reasons to **consume what Cajamarca produces**.
5. We will organize successful cases of ALAC's work to generate knowledge and appropriation of "**How to achieve linkages between grass-roots organizations and production chains**"?
6. We will align our gender policy with the Newmont Program for Global Inclusion and Diversity, including the leadership team.
7. We will strengthen the **integration of the services of ALAC, FONCREAGRO and the Yanacocha Information Center** into a single site, generating value for the Qhapac Ñan as a center for development and citizen services.

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Kick Off & Asociados
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